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INDUSTRIAL DEVELOPMENT COOPERATION AND THE DIVERSIFICATION AND MODERNIZATION OF PRODUCTIVE ACTIVITIES IN DEVELOPING COUNTRIES

Report of the Second Committee

Rapporteur: Mr. Walter BALZAN (Malta)

I. INTRODUCTION

1. At its 3rd plenary meeting, on 18 September 1992, the General Assembly, on the recommendation of the General Committee, decided to include in the agenda of its forty-seventh session the item entitled "Industrial development cooperation and the diversification and modernization of productive activities in developing countries" and to allocate it to the Second Committee.

2. The Second Committee considered the item at its 18th, 28th and 50th meetings, on 22 October, 5 November and 11 December 1992. An account of the Committee's discussion of the item is contained in the relevant summary records (A/C.2/47/SR.18, 28 and 50). Attention is also drawn to the general debate held by the Committee at its 3rd to 9th meetings, from 5 to 8 October (see A/C.2/47/SR.3-9).

3. For its consideration of the item, the Committee had before it the following documents:

(a) Letter dated 2 July 1992 from the Chargé d'affaires a.i. of the Permanent Mission of Senegal to the United Nations addressed to the Secretary-General, transmitting a position paper prepared by the Summit Level Group for South-South Consultation and Cooperation (A/47/312-S/24238);

(b) Letter dated 2 October 1992 from the Permanent Representative of Pakistan to the United Nations addressed to the Secretary-General, transmitting the Declaration of the Ministers for Foreign Affairs of the

States members of the Group of 77, adopted on 1 October 1992 at their sixteenth annual meeting, held at United Nations Headquarters (A/47/499);

(c) Note by the Secretary-General on industrial development cooperation and the diversification and modernization of productive activities of developing countries (A/47/535).

4. At the 18th meeting, on 22 October, the Director of the Office of the United Nations Industrial Development Organization in New York made an introductory statement (see A/C.2/47/SR.18).

II. CONSIDERATION OF DRAFT RESOLUTIONS A/C.2/47/L.14 AND L.74

5. At the 28th meeting, on 5 November, the representative of Pakistan, on behalf of the States Members of the United Nations that are members of the Group of 77, introduced a draft resolution entitled "Industrial development cooperation" (A/C.2/47/L.14), which read as follows:

"The General Assembly,

"Reaffirming its resolutions S-18/3 of 1 May 1990, containing the Declaration on International Economic Cooperation, in particular the Revitalization of Economic Growth and Development of the Developing Countries, 45/199 of 21 December 1990, containing the International Development Strategy for the Fourth United Nations Development Decade, and 46/151 of 18 December 1991, containing the United Nations New Agenda for the Development of Africa in the 1990s,

"Recalling its resolutions 45/196 of 21 December 1990 and 46/146 of 17 December 1991, Economic and Social Council resolution 1992/44 and other relevant resolutions in the field of industrial development cooperation,

"Taking note of the outcome of the United Nations Conference on Environment and Development,

"Recognizing that the adverse international economic environment, in particular the pressure of the external debt problem and the effect of trade restrictive measures in developed countries, undermines the industrialization efforts of developing countries,

"Taking note also of the note by the Secretary-General, 1/

"1. Stresses the importance of international cooperation in supporting efforts at the regional, subregional and national levels in

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1/ A/47/535.

industrial development, in particular in the fields of human resources development, investment and export promotion, technology transfer, and development of national capacities, in order to diversify and modernize productive activities in developing countries;

"2. Calls upon the United Nations system, in particular the United Nations Industrial Development Programme, to take, in the context of industrial development cooperation, due account in their programmes, projects and activities of the commitments to further sustainable development agreed upon in the United Nations Conference on Environment and Development process, in particular those related to technology transfer, financial resources, industry and capacity-building;

"3. Recommends that the United Nations Industrial Development Organization, in the context of its medium-term plan and with due regard to national priorities, strengthen its cooperation with public- and private-sector organizations in developing countries, in particular with those working in human resources development, investment and export promotion, and technological capacity-building;

"4. Urges the international community, including the United Nations system, its regional commissions and, in particular, multilateral financial institutions and regional banks, to support industrial development programmes and projects, especially in developing countries;

"5. Expresses its concern that financial constraints facing the United Nations system do not allow for the lengthy preparation of a study of long-term world industrial structure;

"6. Reiterates its call to the United Nations Industrial Development Organization and other relevant United Nations agencies to encourage and support technical cooperation among developing countries in the field of industrialization;

"7. Requests the Secretary-General to invite the Director-General of the United Nations Industrial Development Organization to report, through the Secretary-General, to the General Assembly at its forty-ninth session, on the implementation of the present resolution;

"8. Decides to include an item entitled 'Industrial development cooperation' in the agenda of its forty-ninth session."

6. At the 50th meeting, on 11 December, the Vice-Chairman of the Committee, Mr. José Lino Guerrero (Philippines), introduced a draft resolution (A/C.2/47/L.74), which he submitted on the basis of informal consultations held on draft resolution A/C.2/47/L.14.

7. At the same meeting, the representative of the United States of America requested that an editorial correction be made to operative paragraph 3 of the draft resolution.

8. Also at the same meeting, the Committee adopted draft resolution A/C.2/47/L.74 without a vote (see para. 10).

9. In the light of the adoption of draft resolution A/C.2/47/L.74, draft resolution A/C.2/47/L.14 was withdrawn by the sponsors.

III. RECOMMENDATION OF THE SECOND COMMITTEE

10. The Second Committee recommends to the General Assembly the adoption of the following draft resolution:

Industrial development cooperation

The General Assembly,

Reaffirming its resolutions S-18/3 of 1 May 1990, containing the Declaration on International Economic Cooperation, in particular the Revitalization of Economic Growth and Development of the Developing Countries, 45/199 of 21 December 1990, containing the International Development Strategy for the Fourth United Nations Development Decade, and 46/151 of 18 December 1991, containing the United Nations New Agenda for the Development of Africa in the 1990s,

Reaffirming also its resolutions 45/196 of 21 December 1990 and 46/146 of 17 December 1991, Economic and Social Council resolution 1992/44 of 31 July 1992 and other relevant resolutions in the field of industrial development cooperation,

Noting with satisfaction the outcome of the United Nations Conference on Environment and Development,

Recognizing that the creation of a supportive international economic environment, through, inter alia, effective relief measures to address external debt problems and an open and non-restrictive world trading system, is essential to promoting the industrialization efforts of developing countries,

Convinced that, in order to promote the industrial development of developing countries, their indigenous capabilities in such areas as entrepreneurship, management, technology, financing and marketing need to be built up or strengthened, and that technical and financial assistance in support of the national efforts of developing countries would need to be extended for this purpose,

Taking note of the note by the Secretary-General on industrial development cooperation and the diversification and modernization of productive activities in developing countries, 2/

2/ A/47/535.

1. Stresses the importance of international cooperation in supporting efforts at the regional, subregional and national levels in industrial development, in particular in the fields of human resources development, investment and export promotion, technology transfer, industrial conversion and development of national capacities, in order to diversify and modernize productive activities in developing countries;

2. Calls upon organizations of the United Nations system, in particular the United Nations Industrial Development Organization, to take due account, in the context of industrial development cooperation, in their programmes, projects and activities, of the commitments to further sustainable development agreed upon in the process of the United Nations Conference on Environment and Development, especially by ensuring provision of the means of implementation, as set forth under section IV of Agenda 21, 3/ stressing in particular the importance of financial resources and mechanisms, the transfer of environmentally sound technology, cooperation and capacity-building and international institutional arrangements, in order to achieve sustainable development in all countries;

3. Recommends that the United Nations Industrial Development Organization, in the context of its medium-term plan and the recent decision taken by the Industrial Development Board 4/ on relative priorities among the activities included within that plan, bearing in mind the Organization's financial and technical capacity, and with due regard to national priorities, strengthen its cooperation with organizations in the public and private sectors, especially in developing countries, in particular with those organizations working in human resources development, investment and export promotion and technological capacity-building;

4. Urges the international community, including the United Nations system, the regional commissions and, in particular, multilateral financial institutions and regional banks, to support industrial development programmes and projects, especially in developing countries;

5. Notes with concern that the study of long-term world industrial structure could not be carried out;

6. Reiterates its call to the United Nations Industrial Development Organization and other relevant United Nations organizations to encourage and support technical cooperation among developing countries in the field of industrialization;

3/ See Report of the United Nations Conference on Environment and Development, Rio de Janeiro, 3-14 June 1992 (A/CONF.151/26), vol. III.

4/ Decision IDB.10/Dec.8, entitled "Relative priorities within the medium-term plan, 1994-1999".

7. Requests the Secretary-General to invite the Director-General of the United Nations Industrial Development Organization to report, through the Secretary-General, to the General Assembly at its forty-ninth session on the implementation of the present resolution;

8. Decides to include an item entitled "Industrial development cooperation" in the agenda of its forty-ninth session.